Change of Chief of SEBI

2137. SHRI INDER KUMAR GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Chief of SEBI has been changed recently;

(b) whether Government have noticed that as a result of this shift there has been rather odd reaction in the stock exchanges;

(c) if so, whether Government have taken any steps to see that the policies pursued by the last Chairman of the SEBI are sustained; and

(d) what policy changes are contemplated by the new Chairman of the SEBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) The former Chairman of the Securities and Exchange Board of India (SEBI), Shri G. V. Ramakrishna tendered his resignation on 17th January, 1994 and joined the Planning Commission as a Member.

(b) Government is unaware of any public statement by a Stock Exchange, either in favour of or against the change in the Chairmanship of SEBI or indeed of any price changes in traded scrips which are attributable to the change of Chairman. The reaction of a few stock brokers cannot be taken as representing the views of stock exchanges.

(c) and (d) The preamble to the SEBI Act, 92 clearly lays down the objectives of SEBI. These objectives are protecting the interests of investors in securities and promoting the development of, and regulation of the securities market. For realising the above objectives the Act lays down powers and functions of the Board consisting of a Chairman and Members. The policies of SEBI are governed by the objectives laid down in the Act. All major decisions are taken by the Board in its collective capacity.

Unrecoverable advance of Public Sector Banks

2138. SHRI SUNDER SINGH BHANDARI: Will the Minister of FINANCE be pleased to state:

(a) what is the total amount of advances by Public Sector Banks declared bad by the Government till date;

(b) how much of this has been considered unrecoverable and who are the defaulters; and

(c) what restrictions were imposed on such defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c) As per information available from Reserve Bank of India (RBI) the total amount of outstanding advances and overdues in respect of Public Sector Banks in all sector as at the end of September 1992 was Rs. 118835 Crores and Rs. 21022 Crores respectively. The amount of bad and doubtful debt considered by banks was Rs. 8063 Crores. Banks being credit institutions, certain amount of bad debts does arise despite all systems and procedures to ensure safety of funds lent. In accordance with the statutes governing the public sector banks as also in terms of the practices and usages customary amongst bankers, the banks do not divulge information relating to the affairs of their constituents except in circumstances in which it is, in accordance with the law or practice and usage customary amongst bankers, necessary or appropriate for the banks to divulge such information. However, with a view to minimise that incidences or overdues and bad debts the public sector banks have been advised by RBI to introduce a comprehensive and uniform grading system to indicate the health of individual advances for the purpose of their effective monitoring and follow up. They have also been advised to keep a watch on the recovery of top sticky accounts. Normally banks, after exhaust-

ing all avenues of recovery and to safeguard their interest and enforcement of security within the period of law of limitation, file suits for recovery of outstanding amounts remaining unpaid by the borrowers. Banks also write off certain advances as bad debts only when they are fully satisfied that these advances are ultimately irrecoverable. Thus, the accounts under default are kept under constant watch and review to safe-guard the interest of the banks. Recently, the recovery of debts due to banks and Financial Institutions Act 1993 has been enacted for expeditious adjudication and recovery of debts due to banks and for matter connected therewith or incidental thereto.

Rural credit of NABARD

2139. SHRI SUNDER SINGH BHANDARI: Will the Minister of FINANCE be pleased to state:

(a) what are the reasons for which only 5 per cent of rural credit of NABARD goes to crop loans;

(b) which are the external influences affecting rural lending in the country;

(c) whether Government have considered sharing the responsibility of financing by banks; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED) (a) to (d) National Bank for Agriculture and Rural Development (NABARD) have reported that nearly 50 per cent of the refinance disbursed by them has gone for financing crop loans during the last two years as indicated below:—

(Rs. in crores)

Year	Total refinance sanctioned	Of which crop loans	Total disbursements	Of which crop loans
1991-92 . . .	6530.64	3513.57 (53.8)	5140.15	2576.50 (50.1)
1992-93 . . .	7713.99	3753.42 (43.6)	6087.65	3030.47 (49.8)

(Figures in brackets indicate percentage)

The Co-operatives which are the major purveyors of rural credit have been affected on account of increasing loan delinquency, non-viability of credit institutions more particularly at the grass-root level. NABARD is extending loans to State Governments for contributing to the share capital of Co-operative Credit Institutions to strengthen their borrowing power and increase the loans business. It has also relaxed its eligibility norms/ operational disciplines for sanction of seasonal Agricultural Operations (SAO) loans in order to maintain the credit flow.

Pay fixation of field Supervisions of Rural Banks

2140. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether the Regional Rural Banks have allowed the pay fixation of field Supervisons in Madhya Pradesh keeping in view the revised pay-scale of Veterinary Extension Officer of Madhya Pradesh as advised by NABARD on 28th March, 1993; and